

THE WORKER

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V-D-11 DIVISION  
X CIO 3/R BISSELL  
V-D-11 PERIOD**Dollars and Sense****Disarmament and  
Jobs Recalculated**

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THE KENNEDY-KHRUSHCHEV meeting may increase disarmament possibilities. Expected economic consequences influence people's attitudes. A March conference of economists from socialist and capitalist countries, at Kiel, agreed that these consequences would be good.

Harvard Professor Wassily Leontief participated for the U. S. His calculations are contained in the April Scientific American. Leontief, a graduate of Leningrad U., worked briefly in the early Soviet planning apparatus before skipping to capitalism. He has made a career of applying planning-type technical calculations to material and component flows in American industry. He calls it the "input-output" method. Soviet planners call their version a "chessboard" or "matrix" balance. It is an elementary component in the complex planning operation of a socialist country.

Which did not prevent numbskulls in the U. S. from saying, a few years ago, that the USSR needed Leontief to solve the "crisis" in its planning.



LEONTIEF made an input-output calculation for transference of \$8 billion in military spending to such civilian spending as personal consumption, business investments, and public construction. He translated the dollar calculations into job proportions he derived.

I have doubts about some calculations. I do not believe that a civilian dollar spent for a car produces only 45% of the employment of a military dollar spent for a bomber. But his overall calculation of employment generated by the military budget checks with the figure Carl Marzani and I published in Dollars and Sense of Disarmament.

Leontief calculates that the \$8 billion cut in the military budget would eliminate 254,000 civilian jobs in arm factories, military bases, and their dependents.

He also notes that \$8 billion is used for civilian purposes, so that the difference of \$12.7 billion would go to personal consumption, business investments, etc. Then there would be 2.5 million new civilian jobs, or two and one-half times the number of jobs lost in the military budget.

Leontief's 254,000 new workers would be scattered throughout the different sectors of the economy. There are two different ways to calculate the new civilian workers. Most of the new workers would be placed in civilian industries, which would be pleased to hire them.

Of 58 industries he analyzes, 39 would have net gains in employment and only 4 would have serious job losses of 3% or more — ordnance, aircraft, shipbuilding, and electronics — the same ones Marzani and I singled out. The difficulties, Leontief notes, would be trivial in comparison with those resulting from a recession. In 1958, of the same 58 industries, 34 suffered a combined loss of 1,421,000 jobs.

Leontief's only favorable economic consequence of partial disarmament is on the assumption that nothing special is done. Marzani and I proposed a detailed program for total disarmament that would add 7 million to employment over and above the replacement in civilian occupations of those now employed, for the military or in the Services.

We also proposed special measures for GIs, munitions workers, and base workers.

Some labor publications still stress the economic problems of disarmament instead of its opportunities.

If readers request, I will review our Dollars and Sense proposals.

MY LETTER to Sen. Morse (May 21 Worker) omitted Richard M. Bissell, Jr., Dulles' deputy reportedly in charge of the Cuban invasion. Bissell was a Yale economics asst. prof., then a government jobholder, and since 1952 a Ford Foundation staff member. Perhaps that was a cover for the CIA job part of the time.

How could such a man, who "never met a payroll", get a major job under a class-conscious capitalist like Dulles? A little research provided the answer. Not sugar this time. But Bissell's father, for decades, presided over the Hartford Fire Insurance Co., and was on the boards of many other insurance companies.

R. Bissell Carey, presumably related, is director of seven Connecticut companies.

The CIA Bissell was a consultant to Fortune, US Steel, and subsidiaries of Shell Oil and State Street Investment Corp. The pattern, from father's insurance companies to son's clients, suggests that family orbits in the Morgan system.